

State of M.P. and Another

Vs

Krishi Upaj Mandi Samiti

Civil Appeal No. 818 of 1977

(CJI A.M. Ahmadi, B.L. Hansaria JJ)

10.01.1996

ORDER

1. This appeal raises a neat question of law. The Property Tax Officer, Guna, issued a notice dated 4-4-1972 imposing property tax on the lands and buildings vested in the Krishi Upaj Mandi Samiti, Guna, (hereinafter called "the Samiti"). On receipt of the said notice, the Samiti raised an objection to the levy of the tax on the ground that it was exempt from such levy. The Property Tax Officer, however, rejected the said contention and initiated recovery proceedings against the Samiti. Thereupon, the Samiti filed a writ petition in the High Court of Madhya Pradesh under Article 226 of the Constitution. According to the Samiti, property tax could not be levied by virtue of the exemption granted under Section 6(a)(iii) of the M.P. Nagariya Sthawar Sampatti Kar Adhiniyam, 1964 (Act No. 14 of 1964) (hereinafter called "the 1964 Act"). The provision reads as under :

"6. Exemptions. - The tax shall not be leviable in respect of the following properties, namely :

(a) buildings and lands owned by or vesting in -

#(i) to (ii) * * *##

(iii) a local authority;"

The expression "local authority" has been defined in Section 2(e) as under :

"'local authority' means a municipal corporation, municipal council, notified area committee, town area committee or cantonment board, as the case may be, constituted or deemed to have been constituted under the law relating to local authority concerned."

The definition of the term "local authority" under the 1964 Act, therefore, does not include a samiti, i.e., a market committee, constituted under Section 11 of the M.P. Krishi Upaj Mandi Adhiniyam, 1973 (hereinafter called "the 1973 Act"). Thus far, there is no difficulty. The contention of the Samiti is, however, based on the language of sub-section (3) of Section 7 of the 1973 Act which reads as under :

"(3) Notwithstanding anything contained in any enactment for the time being in force, every market committee shall for all purposes, be deemed to be a local authority."

2. The High Court has taken the view that this being a subsequent Act, the non obstante clause would override the provisions in the 1964 Act and in any case since the Samiti, i.e., the Market Committee, is a local authority by the aforesaid deeming provision, it would fall within the expression "a local authority" in Section 6(a)(iii) of the 1964 Act and would, therefore, be exempt from the payment of property tax. It is this argument which is contested by the appellants before us.

3. The short question is, what is the ambit and scope of sub-section (3) of Section 7 of the 1973 Act. It no doubt begins with a non obstante clause and then proceeds to say that every market committee shall for all purposes, be deemed to be a local authority. What is the meaning to be ascribed to the expression "for all purposes" ? Does it mean that its sweep is wide enough, to include the purpose in regard to the levy of property tax or does it mean, as contended by counsel for the appellants, that its meaning must be limited to the purposes under the 1973 Act ? In order to appreciate this contention, we must try to appreciate, what would have been the position if the legislature had not used the words "for all purposes". In that case, the provision would have read as :

"Notwithstanding anything contained in any enactment for the time being in force, every market committee shall be deemed to be a local authority."

4. In that case, by virtue of the non obstante clause, even the market committee would have been deemed to be a local authority within the meaning of Section 2(e) of the 1964 Act and would, therefore, have been exempt from the payment of tax by virtue of Section 6(a)(iii). The inclusion of the words "for all purposes", cannot be for no reason. Counsel for the appellants, therefore, submitted, and in our opinion rightly, that the subsequent Act was intended to limit its application to purposes under that law, i.e., the 1973 Act, and not to purposes other than those covered under that law. In other words, counsel for the applicants submitted that the market committee would be a local authority for all purposes under the 1973 Act, notwithstanding anything contained in any enactment to the contrary and would be deemed to be a local authority. It would not be a local authority for purposes other than those not covered by the 1973 Act. If it was intended that the market committee should be deemed to be a local authority for purposes other than those under the enactment, it was not necessary to use the words "for all purposes". They are not the words which can be said to be superfluous. They must be assigned a meaning and that meaning, in our view, was to refer to all purposes under the enactment so that if there is any provision to the contrary in any other statute relating to the purposes under the 1973 Act, Section 7(3) would prevail.

5. However, counsel for the respondent-Samiti emphasised the word "all" and contended that the use of this expression was obviously to convey the meaning that the provision would have effect for all purposes, i.e., even purposes other than those relating to the 1973 Act and the Court should not read the words to be imposing a limitation, nor should they be confined to only purposes under the 1973 Act as that would amount to adding words, such as "under the Act" after the expression "all purposes".

6. We have given our considered view to this submission made by the learned counsel for the respondent-Samiti, but we are afraid we cannot accept it. We think that the interpretation placed by the learned counsel for the appellants is more appropriate, having regard to the structure of Section 7(3) and the context in which the words "for all purposes" have been used. We therefore, uphold the contention urged on behalf of the appellants.

7. In the result, this appeal succeeds. The judgment and order of the High Court impugned herein are set aside and the decision of the Property Tax Officer, Guna, to levy tax and enforce its recovery

cannot be assailed.

8. The appeal will stand allowed accordingly with no order as to costs.